Provisions is part of DPP-2006. Offset clause is applicable for all procurement proposals where indicative cost is Rs. 300 crore or more and the schemes are categorized as 'Buy (Global)' involving outright purchase from foreign/Indian vendors and 'Buy and Make with Transfer of Technology' i.e. Purchase from foreign vendor follwed by licensed Production. A uniform offset of 30% of the indicative cost of the acquisition in 'Buy (Global)' category acquisitions and 30% of the foreign exchange component in 'Buy and Make' category acquisitions will be minimum required value of the offset. The Defence Acquisition Council may, after due deliberations, also prescribe varying offset percentages above 30% for different classes of cases or for individual cases depending upon the factors involved such as strategic importance of the acquisition or technology, enhanced ability of Indian defence industry to absorb the offset, export potential generated etc. Offset obligations are to be discharged directly by any combination of the following methods:

(i) Direct purchase of, or executing export orders for defence products and components manufactured by, or services provided by, Indian defence industries, i.e. Defence Public Sector Undertakings, the Ordnance Factory Board, and any private defence industry manufacturing these products or components under an industrial licence granted for such manufacture. For the purpose of defence offset, "services" will mean maintenance, overhaul, upgradation, life extension, engineering, design, testing, defence related software or quality assurance services.

(ii) Direct foreign investment in Indian defence industries for industrial infrastructure for services, co-development, joint ventures and co-production of defence products.

(iii) Direct foreign investment in Indian organizations engaged in research in Defence Research & Development as certified by Defence Offset Facilitation Agency (DOFA).

Government has constituted Defence Offset Facilitation Agency (DOFA) with a charter to:—

(a) Facilitate implementation of the offsets policy.

(b) Assist in vetting of offset proposals technically.

(c) Assist in monitoring the offset provisions.

(d) Suggest improvements in the policy and procedures.

(e) Interact with Headquarters Integrated Defence Staff and Service Headquarters.

(f) Advise, in consultation with the Headquarters Integrated Defence Staff, Services and Defence Research and Development Organization, areas in which offsets will be preferred.

(g) Promote exports of defence products and services.

(h) Provide advisory clarifications on the policy and procedures.

Vacancies in the armed forces

1274. SHRIMATI JAYA BACHCHAN: Will the Minister of DEFENCE be pleased to state:

(a) the details of vacancies at present in the armed forces;

(b) since when these vacancies have been in existence;

(c) whether these vacancies have been advertised and given wide publicity;

(d) if so, what has been the response;

(e) whether it is a fact that the response to advertisements, opinion polls and the process of admission in defence establishments reveals that the youth are not inclined to come forward to take army as a carrier; and

(f) the steps Government is contemplating to address the problem?

THE MINISTER OF DEFENCE (SHRI A. K. ANTONY): (a) to (f) There is a shortage of 11,153, 1403 and 1368 officers in Army, Navy and Air Force respectively. This deficiency has been continuing since very long time in varying degree. There is no shortage of Personnel Below Officer Ranks (PBOR) in the Armed Forces.

The Armed Forces have undertaken sustained image projection and publicity campaign to create awareness among the youth on the advantages of taking up a challenging and satisfying career. Candidate-friendly recruitment procedures to attract more number of candidates and a focused publicity drive in various institutions to attract potential candidates have been undertaken. Awareness campaigns, participation in carreer fairs and exhibitions, advertisements in print and electronic media, counselling and motivational talks in schools, colleges and NCC camps are also some of the other measures in this direction. In addition, the commitment and bravery of the Armed Forces is consistently projected through the electronic and print media.

There has been adequate response to the advertisements for joining the Armed Forces. Although a good number of candidates pass through the written part of the examination, many fail to make the grade at the stage of Service Selection Board (SSB) interviews, which is mandatory for selection of officers, as they are not able to meet the requisite selection and medical criterion.

The shortfall in recruitment of officers in the Defence Services are largely due to change in the socio-economic environment and the resultant changes in career preferences, better employment opportunities in other sectors, tough selection procedures and service conditions required for the Defence Forces.

Several steps have been taken by the three Services to attract more talented youth to join the Defence Forces. All officers including those in Short Service Commission (SSC) have been made eligible to hold substantive rank of Captain, Major and Lieutenant Colonel after 2, 6 and 13 years of reckonable service respectively. In addition to the above, 750 posts of Lieutenant Colonels have been upgraded to Colonel's rank. The tenure of SSC officers has also been extended from 10 years to 14 years.

The Government has also appointed Sixth Central Pay Commission to go into the question of revision of pay and allowances etc. of all the Government servants including the Armed Forces. The three Services have presented a joint memorandum to the Pay Commission suggesting revision of pay and allowances and other service conditions. The matter has also been discussed with the Pay Commission by the three Service Chiefs and officers in the Ministry of Defence.